

Lord John Russell and Mr. Gladstone, contained the following;

If, then, the directors of the Bank of England, proceeding upon the prudent rules of action by which their administration is usually governed, shall find that, in order to meet the wants of legitimate commerce, it be requisite to extend their discounts and advances upon approved securities, so as to require issues of notes beyond the limits fixed by law, Her Majesty's Government recommend that this necessity should be met immediately upon its occurrence, and in that event they will not fail to make application to Parliament for its sanction.

No such discount or advance, however, should be granted at a rate of interest less than ten per cent., and Her Majesty's Government reserve it to themselves to recommend, if they should see fit, the imposition of a higher rate. After deduction by the bank of whatever it may consider to be a fair charge for its risk, expense and trouble, the profits of these advances will accrue to the public.

The effect of the suspension of the Act of 1844 was so marked that it appeared the next day, which, was Saturday, as if the crisis was at an end. The pressure upon the banks ceased for the moment, and the Bank of England did not find it necessary to use the authority to issue notes beyond the legal limits. The demands for discount continued large, but were met from the deposits, which were poured freely into the bank by the outside bankers when they were assured that their appeals for notes would be honored. Large commercial failures began again, however, during the week, which imperilled the banks holding their paper and led to new demands by depositors. The Bank of London paid out fifty per cent, of its deposits in cash and was obliged to stop, with liabilities, according to its last balance sheet, of £4,335, -877. The Consolidated Bank came to its rescue, but was in its turn exhausted. The Agra and Masterman's Bank, with wide connections in India and the East, and obligations of £15,582,002, was also compelled to suspend payments. These banks had ample assets, but were unable to convert them into bank-notes and cash rapidly enough to meet the demand of their depositors. The magnitude of the demands upon the Bank of England after the authority was given to suspend the Bank Act, may be judged from the debate